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Federal Communications Commission Office of the Secretary

## STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

BARBARA A. CURRAN PRESIDENT

HOO RAYMOND BLVD. NEWARK, N.J. 07102 201-648-2027

May 22, 1985

DOCKET FILE COPY ORIGINAL

W. Carev Edwards Counsel to the Governor Executive Department State House CN-001 Trenton, NJ 08625

Certification of Emergency Rule N.J.A.C. 14:18-2.9, Cable Television Pole Attachment Rental Methodology

B.P.U. Docket No. CX8505533

Dear Carey:

An April 28, 1985 amendment to the FCC rule governing state authority over cable television pole attachments requires a state to certify to the FCC that its "rules and regulations" include a "specific methodology", for such regulation. 47 C.F.R. §1.1414(a)(3), 50 Fed. Reg. 18637, 18659 (May 2, 1985). The Board's methodology, while included in the January 21, 1985 certification accepted by the FCC, is in the form of a generic order<sup>1</sup>, and not in the form of a "rule or regulation."

In a letter received May 9, 1985 (attached) the FCC advised the Office of Cable Television that its previous filing must be supplemented by certifying a specific pole attachment methodology as an effective rule or regulation by May 30, 1985, to comply with the new FCC rule. The Board subsequently adopted the relevant portion of the generic order, without substantive change, as an emergency rule.

Failure to do so will cause the State's jurisdiction over cable television pole attachments rental rates to revert to the FCC. These rentals are significant as revenues to utilities and as a cost element to cable television companies, affecting customers of both.

 $<sup>\</sup>frac{1}{I/M/O}$  the Office of Cable Television's Investigation into Practices and Operations of CATV Companies and Certain Utilities under the Provisions of Sections 20 and 21 of the Cable Television Act, Docket No. 769C-6206, Decision and Order, August 20, 1984.

Accordingly, the attached certification has been prepared for the Governor's review and signature in accordance with N.J.A.C. 1:30-4.4(a). Once certified, please return the certification to the BPU's the Office of Cable Television so it can be filed at the OAL prior to May 30, 1985.

Since nely,

Barbara A. Curran, President Board of Public Utilities

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Enclosures: Certification of Emergency Rule

FCC letter

Board Adoption Order

Emergency Rule and Concurrent Proposal

#### STATEMENT OF IMMINENT PERIL

1. On May 9, 1985, the Board of Public Utilities, Office of Cable Television was advised by the Federal Communications Commission that a recent amendment to its rules, 47 C.F.R. §1.1414(a)(3), effective date, April 28, 1985, requires that a state's rules and regulations include a specific methodology for cable television pole attachment regulation. States which fail to certify such rules to the FCC by May 30, 1985 will lose their jurisdiction over cable television pole attachment matters.

Therefore, the FCC has requested that the Board of Public Utilities, Office of Cable Television supplemente its January 21, 1985, certification with a statement that there are effective rules and regulations containing a specific methodology governing pole attachments. Compliance through normal rulemaking procedures cannot be attained in only 21 days.

On May 17, 1985, the Board found that the immediate need to conform the rules to the requirements of Federal regulation presented an imminent peril necessitating an emergency rulemaking. The text of the Adopted Emergency New Rule and Concurrent Proposal is annexed hereto.

2. The emergency rule, N.J.A.C. 14:18-2.9, provides such a methodology by setting forth the various elements which are to be used to calculate the appropriate rental cable television companies shall pay for attaching their plant to utility poles.

This methodology has been in effect since August 20, 1984, but not in the form of a rule or regulation. By adopting the Board's 1984 order in Docket No. 769C-6206 as a rule, the Board will be in technical compliance with the new FCC rule. Such compliance can then be certified to the FCC.

- 3. Emergency rule N.J.A.C. 14:18-2.9 shall expire 60 days from the date it is accepted for filing by the Office of Administration Law.
- 4. Affected parties have been mailed a certified copy of the Board's Order Adopting Emergency Rule, Docket No. CX8505533, dated May 17, 1985. Such parties include all parties to the Board's generic pole attachment proceeding, Docket No. 769C-6206, and all those who have requested advance notice of Office of Cable Television rulemakings pursuant to N.J.A.C. 1:30-3.1(a)(3).

All parties are already aware of the substance of the emergency rule through the Board's 1984 pole attachment Decision and Order in Docket No. 769C-6206.

5. I, Barbara A. Curran, President, Board of Public Utilities, State of New Jersey, hereby certify that the facts set for the herein are true and accurate to the best of my knowledge.

DATED: 5/23/85

Barbara A. Curran, President

Board of Public Utilities

BOARD OF PUBLIC UTILITIES CFFICE OF CABLE TELEVISION

POLE ATTACHMENT RATE METHODOLOGY

ADOPTED EMERGENCY NEW RULE AND

CONCURRENT PROPOSAL: N.J.A.C. 14:18-2.9

EMERGENCY NEW RULE ADOPTED: May /7 , 1985 by the Board of Public Utilities

Gubenatorial Approval (See N.J.S.A. 52:14B-4(c):

1985.

EMERGENCY NEW RULE FILED:

1985, as

R. d.

Authority: N.J.S.A. 48:5A-10, 20(b),21.

EMERGERCY NEW RULE EFFECTIVE DATE:

EMERGENCY NEW RULE EXPIRATION DATE: "

The Concurrent Proposal is Known as PRN 1985 -

Suimit coments by

, 1985 to:

Bernard R. Morris, Director Office of Cable Television Board of Public Utilities 1100 Raymond Boulevard Newark, New Jersey 07102 Telephone: (201) 648-2670

This new rule was adopted on an emergency basis and became effective upon acceptance for filing by the Office of Administrative law (see N.J.S.A. 54:14B-4(c) as implemented by N.J.A.C. 1:30-4.4). Concurrently, the provisions of the emergency new rule are being proposed for readoption in compliance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et. seq. The readopted rule becomes effective upon acceptance for filing by the Office of Administrative Law (see N.J.A.C. 1:30-4.4(d)).

The agency emergency adoption and concurrent proposal follows:

#### SUMMARY

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The Board of Public Utilities, Office of Cable Television is mandated by Federal regulation to certify to the Federal Communications Commission that its rules and regulations include a specific methodology for regulation of cable television attachments to utility poles which has been made publicly available in the state. 47 C.F.R. 1.1414(a)(3). (Effective date, April 28, 1985)

On May 9, 1985, the FCC informed the Office of Cable Television that such certification must be made by May 30, 1985. Although the Board established a publicly available methodology in its generic Decision and Order, dated August 20, 1984, In the Matter of the Office of Cable Television's Investigation into the Practices and Operations of CATV Companies and Certain Utilities Under the Provisions of Sections 20 and 21 of the Cable Television Act, Docket No. 769C-6206, it has not been promulgated as a "rule or regulation." Said order was adopted after lengthy hearings in a proceeding which extended over nearly eight years. To ensure that the state is in compliance with federal law, the method of calculating pole rental rates for cable television attachments has been formulated as a rule without any substantive change to the original order.

## Social Impact

By adopting the Board's existing cable television pole attachment rate methodology, this rule assures that the Board's rules are in conformity with FCC requirements and will enable the Board to exercise its pole attachment jurisdiction without challenges to its certification to the FCC that there are "effective rules and regulations" governing pole attachment methodology.

Decertification would place all questions of pole rental rates in the hands of the FCC rather than state regulators familiar with local pole plant and sensitive to the impact on cable and utility rate payers.

# Economic Impact

Because this rule corresponds to the Board's existing generic Decision and Order, it will have no additional economic impact upon adoption.

Full text of the emergency adoption and concurrent proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]).

### 14:18-2.9. Calculation of Pole Attachment Rent.

(a) In cases where the Board must determine the appropriate rental rate for cable television attachments on utility poles, it shall be calculated in the following manner:

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- (1) Total Percentage of Gross Plant as Annual Cost shall be the sum of the following percentages:
  - (i) Rate of Return
  - (ii) Depreciation Expense
  - (iii) Miscellaneous Taxes
  - (iv) Maintenance Expenses
  - (v) Administrative Expenses
  - (vi) Federal Income Tax
- (2) Total = Unweighted Total Percentage
  Yearly Average Multiplied by Gross Pole
  Ownership Original Plant as Annual
  Expense Installed per Cost
  Pole Cost
- (3) Common = Setting Depth plus Space Ground Clearance
- (4) Usable = Total Pole Length minus Common Space Space
- (5) Footage = 1.0 Feet of Usable Space Allocated to CATV
- (6) Footage = 1.0 Feet
  of Common Total Usable Multiplied by Total Common
  Space Space on Pole on Pole
  Allocated to
  CATV
- (7) Percentage = Footage of plus Footage of of Total CATV Common CATV Usable Space Space Space Space
- (8) Annual = Percentage Multiplied by Total Yearly
  Rental Space Allocated Ownership
  Charge Per to CATV Expense

Pole

CAIV

- (b) Weighted average original installed per pole cost may be used in Subsection (a) (2) above, upon mutual agreement of the cable company and the utility; however, should the parties be unable to agree on weighted or unweighted costs, the Board shall employ the unweighted average original installed per pole cost.
- (c) The ratio of total common space on the pole to the number of parties on the pole may be used to set the footage of common space allocated to cable television upon mutual agreement of the cable company and the utility; however, should the parties be unable to agree to allocate common space equally, the Board shall employ the formula set forth in subsection (a) (6).
- (d) Any terms not defined by subsection (a) shall be interpreted in a manner consistent with established Board policies and orders.
- (e) The Office of Cable Television shall designate those uniform utility account numbers which are the appropriate sources of data.



# State, of New Jersey

# BOARD OF PUBLIC UTILITIES 1100 RAYMOND BLVD. NEWARK, NEW JERSEY 07102

CABLE TELEVISION

IN THE MATTER OF RULES AND REGULATIONS OF THE OFFICE OF CABLE TELEVISION GOVERNING POLE ATTACHMENTS ORDER ADOPTING EMERGENCY RULE

**DOCKET NO. CX8505533** 

## (SERVICE LISTS ATTACHED)

### BY THE BOARD:

On August 20, 1984, the Board issued its generic Decision and Order in its pole attachment proceeding, in which the Board adopted a methodology for determining rates for cable television attachments to utility poles.

On May 9, 1985, the Office of Cable Television ("Office") was advised by the Federal Communications Commission ("FCC") that a recent amendment to its rules, 47 C.F.R. \$ 1.1414(a)(3) effective date, April 28, 1985 requires that a state's rules and regulations include a specific methodology for pole attachment regulation. States which fail to certify such rules to the FCC by May 30, 1985 can lose their jurisdiction over pole attachment matters.

In accordance with N.J.S.A. 48:5A-10, the Office of Cable Television has recommended that the method for calculating pole attachment rental rates contained in the Board's Decision and Order of August 20, 1984, be formally adopted as a rule. Said order is the product of extensive hearings and proceedings over a period of several years.

The Board, having considered the foregoing, HEREBY FINDS that a 21-day period is not sufficient time in which to conform through normal rulemaking procedures to the requirements of federal regulation 47 C.F.R. § 1.1414(a)(3), as amended, and that failure to comply presents an imminent peril of harm to ratepayers that would result from the State's loss of jurisdiction over pole attachments.

<sup>1/</sup> In the Matter of the Office of Cable Television's Investigation into Practices and Operations of CATV Companies and Certain Utilities under the Provisions of Sections 20 and 21 of the Cable Television Act. Docket No. 769C-6206.

<sup>2/</sup> Report and Order. MM Docket No. 84-1296, FCC 85-179, 50 Fed. Reg. 18637, May 2, 1985.

# CERTIFICATE OF PROPOSAL ADOPTION

PROPOSED RUL	E (To be Combieted b	v OAL)		-		
22 Submitting Agency of Officer (b) Date Submitted			(c) Subject of Proposed Rule			
		Submitted				
(d) Type of Rule	(c) Form of Submission	(f) Section (s) of Code Affected				
1. ( ) New Rule 2. ( ) Amendment	( ) Full Text	l. ( ) Title	(g) Register Citation Proposal	(h) Date of Publication		
3. ( ) Repeal 4. ( ) Rescission 5. ( ) Suspension	( ) Synopsis	3. ( ) Chapter 4. ( ) Subchapter 5. ( ) Section 6. ( ) Catchline N.J.A.C.	(i) This to certify that the notice of proposed rule was accepted and published in the New Jersey Register, pursuant to N.J.S.A. 52:14B-4(a) (1).			
	rconn and apopti	ON OF PROPOSED B	Rules An		Date	
	ECORD AND ADOPTION	1		<del>                                     </del>	Date de la 1997 de la	
(a) Public Notice for Proposal  1. ( ) V.J. Register  2. ( ) General Newspaper (Specify)  3. ( ) Trade Journal (Specify)  4. ( ) Distribution List  5. ( ) Law Journal  6. ( ) Other (Specify)		(b) Public Comment Permitted  1. ( ) Written Statement 2. ( ) Phone Conversation 3. ( ) Public Hearing 4. ( ) Personal Interview 5. ( ) Conference 6. ( ) Other		(c) Special Procedure Initiated Pursuant to the APA or Otherwise Required by Law  1. ( ) Pre-Proposal for a Rule 2. ( ) Petition for a Rule 3. ( ) Public Hearing:         ( ) i. Pursuant to N.J.A.C.         52:14B-4(a) 3         ( ) ii. Mandated by          ( ) Submission to Advisory		
d) Public Hearing (Where Applicable) L. Date (5)  2. Place		3 No. of Persons				
e) Record of Public Comment  ( ) File of Written Statements ( ) Transcript of Public Hearing ( ) Public Hearing Officer's Report ( ) List of Individuals or Associations ( ) Minutes of Conference or Other Meeting ( ) No Comment Received Attach Summary of Any Comments Received and of Agency Response  g) Executive Order No. 66 (1978) ( ) Expiration Date ( ) i. Established by this Rule ( ) ii. Already Established As Part of N.J.A.C.		Adoption  1. ( ) No Change 2. ( ) With Chang Violation of 1:30-3.5  Attach Explanatory Any Change  (h) Type of Adoption 1. ( ) Ordinary Ru 2. ( ) Emergency 3. ( ) Organizatio 4. ( ) Federally Rule 5. ( ) Readoption Attach the Stateme Peril and Expiration Any Emergency Ru	No Change With Changes Not in Violation of N.J.A.C. 1:30-3.5  Explanatory Material for ange e of Adoption Ordinary Rule Emergency Rule Organizational Rule Federally Required Rule Readoption he Statement of Imminent d Expiration Date for		Board ( ) i. Mandated by  5. ( ) Special Notice ( ) i. Mandated by  6. ( ) Special Effective Date ( ) i. Mandated by  7. ( ) Other (Specify) ( ) i. Mandated by  Attach Material Which Explains and Verifies Any Special Procedure  (k) Official File Stamp	
i) Operative Date:  ( ) After Promulgation  ( ) Upon Filing (for Emergency and Readopted Rules Only)				<b>.</b>		
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Upon full consideration of this matter, the Board ORDERS that the proposed new rule N.J.A.C. 14:18-2.9, be ADOPTED on a 60-day emergency basis, and FURTHER ORDERS that it be submitted to the Governor for certification and filing with the Office of Administrative Law as an Emergency Rule Adoption and Concurrent Rule Proposal pursuant to N.J.S.A. 52:14B-4(c) and N.J.A.C. 1:30-4.4.

DATED: May 17, 1985

BOARD OF PUBLIC UTILITIES

BARBARA A. CURRAN

PRESIDENT

ATTEST:

COMMISSIONER

BLOSSOM A. PERETZ

HEREBY CERTIFY that the within document is a true capy of the original in the files of the Board of Fublic Utility Commissioners Blower a. Re

Biossom A. Paretz Secretary

#### SERVICE LIST

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THERES. N. J. A. C. 1:35-1:1(a, 1)

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Mr. Bill Dressel, Assistant Director New Jersey-League of Municipalities Wash, 407 Hest State Street Trenton, New Jersey 18611

# FEDERAL COMMUNICATIONS COMMISSION

1005 1117 -9 12: 11: 55 IN REPLY REFER TO:

New Jersey Board of Public Utilities 1100 Raymond Boulevard Newark, New Jersey 07102 Attn: Bernard R. Morris, Director

#### Gentlemen:

The Commission is again updating its list of states which have certified that they regulate pole attachment rates, terms, and conditions to insure that all certifications comply with amended Section 1.1414 of the Commission's Rules, 47 C.F.R. \$1.1414. That Section was recently amended to implement certain provisions of the Cable Communications Policy Act of 1984. Report and Order in MM Docket No. 84-1296, FCC 85-179 (released April 19, 1985). Among the amendments is new Section 1.1414(a)(3), 47 C.F.R. \$1.1414(a)(3), which provides that a state regulating pole attachments must certify to this Commission that

It has issued and made effective rules and regulations implementing the state's regulatory authority over pole attachments (including a specific methodology for such regulation which has been made publicly available in the state) . . . .

With the exception of a statement about methodology, your certification already includes all of the required information. Accordingly, if your state's rules and regulations include a specific methodology which has been made publicly available in the state, please so certify to the Commission by May 30, 1985.

Receipt of such information by May 30, 1985, will permit the Commission to retain your state on our certification list. Therefore, your prompt attention and cooperation are appreciated.

Please address your certification and any inquiries to:

Federal Communications Commission Attention: Margaret Wood, Esq. Room 6206 1919 M Street, N.W. Washington, D.C. 20554 Telephone (202) 632-4890

Sincerely,

Howard M. Wilchins

Deputy Chief, Enforcement Division

Enclosure

Part 1 of Chapter I of Title 47 of the Code of Federal Regulations was amended to read as follows:

- A. Part 1 Practice and Procedure.
- 1. Section 1.1414 is amended by revising paragraphs (a)(1) and (a)(2) and adding new paragraphs (a)(3) and (e) to read as follows:
  - \$1.1414 State certification.
  - (a) If the Commission does not receive certification from a state that:
  - (1) It regulates rates, terms and conditions for pole attachments;
  - (2) In so regulating such rates, terms and conditions, the state has the authority to consider and does consider the interests of the subscribers of cable television services as well as the interests of the consumers of the utility services; and,
  - (3) It has issued and made effective rules and regulations implementing the state's regulatory authority over pole attachments (including a specific methodology for such regulation which has been made publicly available in the state), it will be rebuttably presumed that the state is not regulating pole attachments.
  - (e) Notwithstanding any such certification, jurisdiction will revert to this Commission with respect to any individual matter, unless the state takes final action on a complaint regarding such matter:
  - (1) within 180 days after the complaint is filed with the state, or (2) within the applicable periods prescribed for such final action in such rules and regulations of the state, if the prescribed period does not extend beyond 360 days after the filing of such complaint.